CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: NorthWestern Energy Columbus-Rapelje to Chrome Junction 100kV Transmission

Line Easement

Proposed

Implementation Date: February 2017

Proponent: NorthWestern Energy

Location: Section 36, Township 3 South, Range 16 East (Common Schools Trust)

County: Stillwater County

I. TYPE AND PURPOSE OF ACTION

The Proponent, NorthWestern Energy, is requesting a 60' wide easement, encompassing 7.63 acres, across Trust land described as Section 36-T3S-R16E in Stillwater County for a new 100kV overhead electric transmission line. In addition, NorthWestern is also requesting a 24' wide easement for an access road on the same section that would encompass 4.74 acres. See attached Exhibit A for the location of the proposed transmission line and access road. The easement request is a part of a larger project for the construction of a new 100kV transmission line that will start approximately 15 miles north of Columbus at the Columbus-Rapelje substation, then head west/southwest to a crossing of the Yellowstone River west of Reed Point and then continue south to its termination at a proposed new substation located approximately five miles south of Nye.

This line will be the first phase of a multi-year five phase system upgrade in Carbon and Stillwater Counties. According to information provided by NorthWestern Energy the project will "...mitigate low voltage violations in the Columbus, Chrome Junction and Red Lodge areas to adhere to NERC [North American Electric Reliability Corporation] Transmission Planning Criteria TPL-001 (requirements for normal operational conditions) and TPL-002 (requirements for the loss of a single bulk system element). This project will address the involuntary load shedding at Stillwater Mine for loss of a single system element (involuntary load shedding is also a violation of TPL-002)." Additionally, the information notes that "... [t]he transmission deficiency consists of voltage violations on the present system when the current Columbus-Absarokee-Chrome Junction line is out of service. As a result of this outage, Stillwater Mine is required to curtail load in order to maintain voltage at an acceptable level on the 50kV system. The curtailment of this load represents a safety issue for Stillwater Mine as they are faced with potential evacuation of many underground mine workers. Furthermore, curtailment of load due to the loss of a single transmission element is a violation of NERC Transmission Policy Planning Standard TPL-002."

The DNRC Southern Land Office (SLO) and NorthWestern Energy have been discussing this proposed new transmission line since March of 2013. NorthWestern provided draft alignments of the entire route to the SLO and the SLO responded with comments and/or concerns regarding the proposed line location on potentially impacted parcels. In addition to parcel in this EA, five previous applications were reviewed and approved by the Land Board and all of those easements have all been executed. This is the final easement for this project that is on Trust land. This easement was delayed while NorthWestern negotiated an easement with the adjoining private landowner. It is also somewhat unique that is has an easement for an access road that is included. The access road is needed due to the rough topography of the area and to connect to an agreed upon access that comes in from the private land to the east.

NorthWestern Energy is trying to build the line under a statutory exclusion from the Major Facility Siting Act (MFSA) found in MCA §75-20-104(8)(a)(i). The exclusion would be triggered if NorthWestern Energy were able to obtain right-of-way agreements or options from more than 75% of the landowners who collectively own more than 75% of the property along the centerline.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

Provide a brief chronology of the scoping and ongoing involvement for this project.

NorthWestern Energy has conducted some public notification; one was through a half page public notice that was in the Billings Gazette on 31 January 2013 regarding the proposed transmission line. They also have information regarding the project on their web site and recently mailed an update to landowners along with route.

The SLO Land Use Specialist and Area Planner conducted a site visit of the property on 30 November 2016 for the purpose of conducting an on-site inspection of the transmission line and access easement routes across the state land.

NorthWestern Energy obtained Lessee Settlement Agreements with the grazing lessee of Trust land.

No other public scoping was conducted by the SLO for this project.

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

Stillwater County: Encroachment Permit

US Forest Service: Easement

US Bureau of Land Management: Easement

3. ALTERNATIVES CONSIDERED:

Proposed Alternative: Approve the request by NorthWestern Energy to issue a 60' easement for a new 100kV overhead electric transmission line and a 24' wide access road on Section 36-T3S-R16E in Stillwater County.

No Action Alternative: Deny the request by NorthWestern Energy to issue a 60' easement for a new 100kV overhead electric transmission line and a 24' wide access road on Section 36-T3S-R16E in Stillwater County.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.
- Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.
- Enter "NONE" If no impacts are identified or the resource is not present.

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.

The proposed transmission line would utilize H-shaped structures. The soils in the proposed easement area generally consist of stony clay loams. Some potential constraints to the powerline construction in these soils include: slope, large stones, depth to bedrock and unstable excavation. No significant impacts to geology and soil quality, stability and moisture are expected by implementing the proposed action.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:

Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.

The proposed overhead transmission line does not cross any live water on the Trust land and is located on fairly well established range that should help protect from any soil escaping into Spring Creek which is over ¾ of a mile north of the Trust land. No significant adverse impacts to water quality, quantity or distribution are expected from implementing the proposed action.

6. AIR QUALITY:

What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.

There may be short-term isolated impacts from the construction equipment exhaust that is used to install the new transmission line. No significant adverse impacts to air quality are expected by implementing the proposed action.

7. VEGETATION COVER, QUANTITY AND QUALITY:

What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.

The proposed project would cause disturbance of vegetative cover due to the installation of the new H-shaped structures along the new easement route, in addition to the disturbance of the support and construction equipment used during maintenance after the line is completed. At this time, NorthWestern Energy is not proposing to blade or make any changes to the existing two-track road system; they would use it as is. NorthWestern Energy will be responsible for reclaiming all disturbed areas on the Trust land once installation is complete. Based on observations from other state sections that have had this same transmission line already installed, the contractor has done an excellent job of leaving little trace of any construction activity. No significant long term adverse impacts to vegetative cover, quantity or quality are expected as a result of implementing the proposed alternative.

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:

Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

A variety of big game (elk, wolf, white-tailed deer and mule deer), small mammals, raptors, and birds use this area. The proposed construction activities could temporarily disrupt wildlife movement and patterns, while the proposed transmission line could cause avian fatalities due to electrocution or collision. One of the standard stipulations in easements issued by the State for overhead electric lines is that they are constructed in compliance with the latest pole construction techniques developed by the industry and the US Fish and Wildlife Service to minimize avian fatalities via electrocution or collision. No significant adverse impacts are expected by implementing the proposed action.

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:

Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.

A proposed project area search of the Montana Natural Heritage Program database identified seven vertebrate animals that are listed as a species of concern or threatened species: Golden Eagle, Pinyon Jay, Clark's Nutcracker, Brewer's Sparrow and Grizzly Bear.

Golden Eagles are protected by the Bald and Golden Eagle Protection Act of 1940 and the Migratory Bird Treaty Act and have been observed in this general area. The particular area that was noted is south of the

section, approximately two miles, near the Stillwater River in an area with some steep topography that could provide nesting opportunities. In addition, the area around the cliffs provides suitable hunting habitat. As noted in above #8, the State has a standard stipulation for overhead electric powerline easements that requires that they be constructed in compliance with the latest pole construction techniques developed by the industry and the US Fish and Wildlife Service to minimize avian fatalities via electrocution or collision, therefore no significant adverse impacts are anticipated.

Pinyon Jay is listed as a species of concern and has been observed in the general area south of the proposed project, likely in the ponderosa pine stands near Trout Creek. The area being traversed by the easement does not contain any trees. No significant adverse impacts are anticipated.

Clark's Nutcracker is listed as a species of concern and has been observed northeast of the proposed project area, in the forested/riparian areas along Spring Creek. The project would not require the removal of any trees on the Trust land. No significant adverse impacts are anticipated.

Brewer's Sparrow is listed as a species of concern and is in Montana from approximately mid-April to late October and has been observed approximately one-half mile northeast of the subject parcel. According to the Montana Field Guide, the brewer's sparrow prefers nesting in large sagebrush, which is not common within the proposed easement area due to the Derby Fire in 2006.

Grizzly Bear is listed as a species of concern and has been observed southwest of the proposed project. The subject parcel could potentially be used for forage and a grizzly could travel across the parcel. No significant adverse impacts are anticipated by implementing the proposed action.

This parcel is also located in Sage Grouse General Habitat. NorthWestern Energy consulted with the Montana Sage Grouse Habitat Conservation Program and received a letter back on 20 October 2016. The Program approved the transmission line and recommended a seed mix and measures to minimize raptor perch sites on the installed facilities. It should be noted that the Derby Fire in 2006 burned this entire section and there is currently no mature sagebrush. There were signs of new sagebrush but they were less than 6" in diameter.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

Identify and determine effects to historical, archaeological or paleontological resources.

On 30 November 2016, SLO Land Use Specialist Jocee Hedrick and SLO Land Use Planner Jeff Bollman performed a site inspection of the proposed project area. The proposed transmission line easement route was walked in its entirety and no historic or cultural resources were noted during the field inspection. The access road route was driven but not walked due to it being previously disturbed. Additionally, there were no past records listed in TLMS. No significant adverse impacts to historic or archaeological sites are expected as a result of implementing the proposed alternative.

11. AESTHETICS:

Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.

The proposed overhead transmission line would be constructed utilizing H-shaped structures and would create a new feature along its route. The location of the transmission line easement will be obscured by the topography of the site from the main traffic area to the south along the Stillwater River. Based on the desires of the adjoining private landowners, there were not many options to adjust the route across the Trust land. Implementation of the proposed alternative is not expected to have a significant adverse impact to aesthetics.

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:

Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

No significant adverse impacts to environmental resources of land, water, air or energy are expected to occur as a result of implementing the proposed alternative.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:

List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.

Five previous applications for this transmission line were reviewed and approved by the Land Board in 2014/2015 and those easements have all been executed. There are no additional applications remaining for this transmission line across Trust land.

IV. IMPACTS ON THE HUMAN POPULATION

- RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.
- Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.
- Enter "NONE" If no impacts are identified or the resource is not present.

14. HUMAN HEALTH AND SAFETY:

Identify any health and safety risks posed by the project.

No significant adverse impacts to human health and safety are expected to occur as a result of implementing the proposed alternative.

15. INDUSTRIAL. COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

Identify how the project would add to or alter these activities.

No significant adverse impacts to industrial, commercial and agricultural activities and production are expected to occur as a result of implementing the proposed alternative.

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:

Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.

The proposed action will not have a significant adverse impact on the quantity and distribution of employment.

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:

Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.

The proposed action will not have an adverse impact on tax revenue.

18. DEMAND FOR GOVERNMENT SERVICES:

Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services

The implementation of the proposed alternative is not expected to generate any additional demands on governmental services.

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:

List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.

Implementation of the proposed alternative will not conflict with any locally adopted plans.

20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:

Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.

This parcel does not have legal public access; therefore anyone utilizing it would need permission from an adjoining private landowner. The proposed action could disrupt recreational use during construction but construction is tentatively set for early 2017 and should not impact recreational use for big game hunting. Implementation of the proposed alternative is not expected to have a significant adverse impact on the recreational use of the subject parcel.

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:

Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing.

No significant adverse impacts to density and distribution of population and housing would occur as a result of implementing the proposed alternative.

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

There are no native, unique or traditional lifestyles or communities in the vicinity that would be impacted by the proposed alternative.

23. CULTURAL UNIQUENESS AND DIVERSITY:

How would the action affect any unique quality of the area?

The proposed alternative will not have a significant adverse impact on cultural uniqueness or diversity.

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:

Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.

The Common Schools Trust will benefit by getting a one-time fee of \$18,555 (12.37 acres x \$1,500/acre) for the transmission line (7.63 acres) and access road (4.74 acres) Easement areas across the Trust land.

EA Checklist Prepared By:Name:Jeff Bollman, AICPDate:7 December 2016Title:Area Planner, Southern Land Office

V. FINDING

25. ALTERNATIVE SELECTED:

After review, the proposed alternative has been selected and it is recommended that a 60' easement, encompassing 7.63 acres, be issued to NorthWestern Energy for the purpose of constructing a 100kV overhead electric transmission line, as well as a 24' wide easement for an access road that would encompass 4.74 acres across Trust land described as Section 36-T4S-R15E in Stillwater County. This alternative can be implemented in a manner that is consistent with the long-term sustainable natural resource management of the area.

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

The potential for significant adverse impacts to the Trust lands listed above are minimal based on the above analysis and the nature of the proposed action which is to grant a 60' wide easement for a 100kV overhead electric transmission line and a 24' wide easement for an access road across the above-described Trust land. There are no natural features or species of concern that are expected to be significantly impacted and produce adverse impacts if the proposed action is implemented.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:						
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	EA Checklist Approved By:	Name:	Jocee Hedrick			
		Title:	Land Use Specialist, Southern Land Office			
	Signature: /s/ Jocee Hedrick			Date:	December 9, 2016	
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Exhibit A - Transmission Line and Access Road Easement Locations

